



PMYBL Quarterly Review as of September 30, 2016

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Infrastructure, Housing & SME Finance Department

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Executive Summary

The Government of Pakistan, being cognizant of the important role played by youth and small businesses in the economic development, introduced Prime Minister Youth Business Loans Scheme in 2013 with the aim of uplifting the youth and providing them opportunities of financial independence through self-employment. Under the Scheme, small businesses are extended loans upto Rs 2,000,000 at a service charge of 6 percent.

Since the launch of the Scheme, loans worth Rs 8,561 million have been disbursed to around 8,926 beneficiaries. Number of applications received by the Executing Agencies under the Scheme in July-September 2016 saw a growth of 2 percent over April-June 2016 period. Of the total applications received so far under the Scheme, 86 percent were from male applicants while the share of female applicants was at 14 percent. Of 72,961 applications received since 2013, number of sanctioned applications stood at 18,144 as on September 30, 2016. Punjab has the largest share with respect to both the number of applications received as well as loans disbursed under the Scheme followed by KPK and Sindh. Disbursement of Rs 416 million was made during the period July to September 2016 under PMYBL registering a growth of 5 percent over the total disbursements at the end of June, 2016.

National Bank of Pakistan, First Women Bank, Summit Bank and Meezan Bank emerged as the top four performers with respect to loan disbursement under the Scheme.

1. Introduction

Small businesses have potential to revitalize economic activity by creating employment opportunities, reducing poverty and providing economic linkages/services to the corporate sector. The growth of small businesses and their access to formal finance is imperative for development of economy. However, despite their strong potential, the small businesses, particularly young entrepreneurs, have traditionally remained credit constrained due to risk perception of banks towards these economic segments. On the other hand, the educated youth generally lacks entrepreneurial skills.

The Government of Pakistan introduced Prime Minister Youth Business Loans Scheme in 2013 with the aim of uplifting the youth and providing them opportunities of financial independence through self-employment. Under the Scheme, youth and small businesses are extended loans upto Rs 2,000,000 at a service charge of 6 percent. Currently, eighteen banks are participating in the Scheme, of which three are public sector banks (NBP, FWBL and Sindh Bank Limited) while remaining fifteen are private sector banks.

2. Status of PMYBL Scheme

2.1 Application Received under PMYBL

During the quarter Jul-Sep, 2016, Executing Agencies (EAs) under PMYBL received 1,317 new applications registering a growth of 2 percent over Apr-Jun, 2016 quarter. The largest number of applications were received by NBP followed by Summit Bank that showed a significant improvement with respect to its performance under PMYBL during the quarter under review. With the addition of 1,317 new applications, cumulative applications received under PMYBL as of September 30, 2016 reached 72,961. Of these 72,961 applications, 62,805 applications (86 percent) were received from male applicants and 10,156 (14 percent) applications were received from female applicants. Table 1 provides a detailed bank-wise position of applications received under PMYBL.

Table No 1: Details of Received Applications							
Banks	No of Applications Received			Q-o-Q Change		Y-o-Y Change	
	Sep, 2016	June, 2016	Sep, 2015	Number	%	Number	%
NBP	71,374	70,317	62,488	1,057	2	8,886	14
FWBL	551	527	460	24	5	91	20
Meezan	345	281	31	64	23	314	1013
Summit	231.0	125	4	106	85	227	5675
UBL	221.0	211	69	10	5	152	220
Albaraka	58	36	2	22	61	56	2800
BAHL	50	42	3	8	19	47	1567
HBL	35	29	28	6	21	7	25
Sindh	31	27	17	4	15	14	82
BAFL	18	9.0	-	9	100	18	-
AKBL	16	15	-	1	7	16	-
JS bank	14	9	-	5	56	14	-
ABL	12	12	-	-	0	12	-
HMBL	2	1	1	1	100	1	100
Soneri	2	2	-	-	0	2	-
DIBPL	1	1	-	-	0	1	-
FBL	-	-	-	-	-	-	-
MCB	-	-	-	-	-	-	-
Total	72,961	71,644	63,103	1,317	2	9,858	16

2.2 Applications Sanctioned under PMYBL

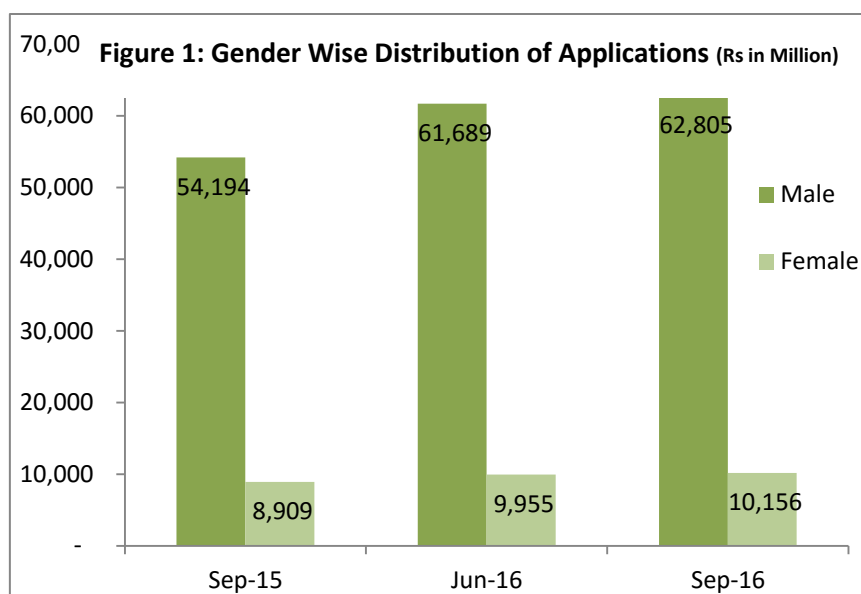
The sanctioned amount under PMYBL increased from Rs 17,219 million at the end of June, 2016 to Rs 18,315 million at the end of September, 2016 registering a growth of 6 percent. National Bank sanctioned an amount of Rs 892 million during Jul-Sep, 2016 quarter followed by Summit Bank that sanctioned Rs 105 million during the quarter. This made Summit Bank the third largest bank under PMYBL after NBP and FWBL.

Allied bank Limited, Askari Bank Limited, JS Bank and Dubai Islamic Bank Limited did not show any progress with respect to both receipt of new applications as well as sanctioning of new loans during the quarter. Bank Alfalah, Faysal Bank, Habib Metropolitan Bank, MCB and Soneri Bank continued to show a dismal performance as no loan has been sanctioned by these banks under the Scheme despite added emphasis on these banks by SBP to extend financing under PMYBL.

Table 2: Sanctioned Amount under PMYBL							Amount in Million Rs			
	September, 2016		June, 2016		September, 2015		% Change in Amounts		% Change in Number	
Banks	Number	Amount	Number	Amount	Number	Amount	Q-o-Q	Y-o-Y	Q-o-Q	Y-o-Y
NBP	17,473	17,606.13	16,477	16,714.08	15,479.00	15,882.12	5	11	6	13
FWBL	198	231	184	215.98	155.00	187.49	7	23	8	28
Summit	177.0	163.9	73	58.81	1.00	0.70	179	23307	142	17600
Meezan	154	135.72	121	105.93	1.00	0.70	28	19428	27	15300
UBL	40.0	49.9	31	38.88	-	-	28	-	29	-
Albaraka	42	35.59	20	17.11	1	0.70	108	5020	110	4100
BAHL	17	31.68	13	24.18	2	3.60	31	780	31	750
Sindh	17	30.45	13	22.48	3	5.30	35	474	31	467
HBL	11	15.40	4	5.80	2.00	3.50	166	340	175	450
ABL	6	5.6	6	5.6	-	-	0	-	0	-
ACBL	6	5.16	6	5.16	-	-	0	-	0	-
JS bank	2	3.40	2	3.40	-	-	0	-	0	-
DIBPL	1	1.70	1	1.70	-	-	0	-	0	-
BAFL	-	-	-	-	-	-	-	-	-	-
FBL	-	-	-	-	-	-	-	-	-	-
HMBL	-	-	-	-	-	-	-	-	-	-
MCB	-	-	-	-	-	-	-	-	-	-
Soneri	-	-	-	-	-	-	-	-	-	-
Total	18,144	18,315	16,951	17,219	15,644	16,084	6	14	7	16

2.3 Gender Wise Status of Applications Received under PBYBL

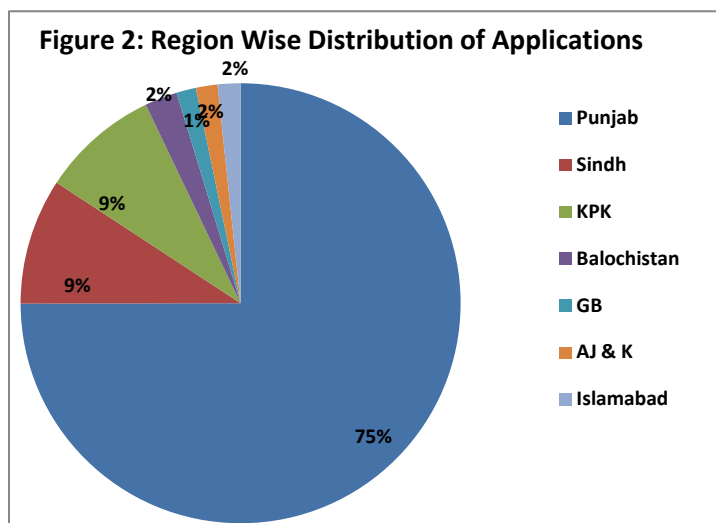
During July to September 2016, 1,116 applications were received from male applicants while 201 female applicants applied for the loan under the Scheme. By the end of the quarter, male applicants constituted 86 percent of the total applications received so far under PMYBL. The number of female applicants under the Scheme remains low at 14 percent of the total received



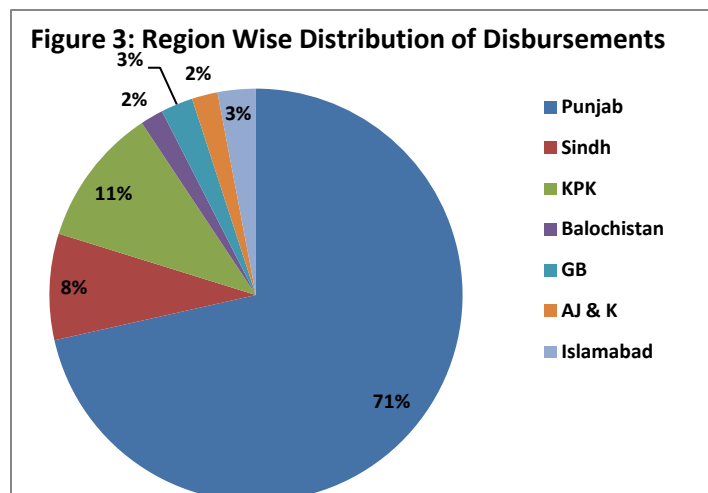
applications.

2.4 Region Wise Distribution of Applications under PMYBL

The largest share of applications received so far was from Punjab as 75 percent of the total applications received under the scheme come from Punjab. Sindh and KPK each have a share of 9 percent in the total applications received under the scheme. Of the total applications received under PMYBL as of September 30, 2016, 2 percent were from each of Balochistan, AJ&K and Islamabad respectively. The share of Gilgit Baltistan in the total applications received under the Scheme stood at 1 percent.

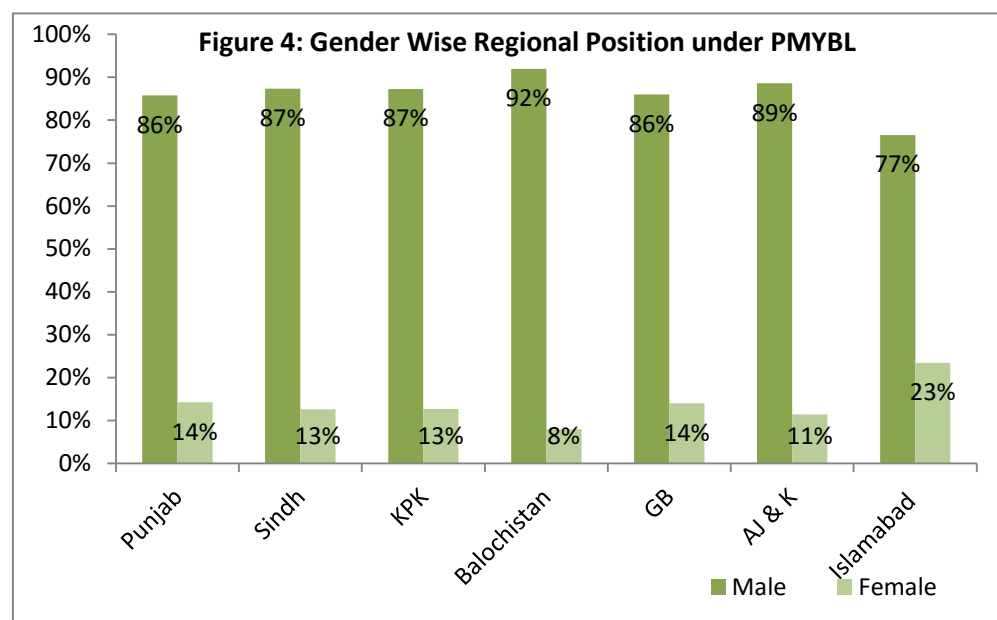


Almost a similar trend prevails as far as disbursement of loans under the Scheme is concerned. Punjab has the share of around 71 percent in the total loans disbursed under PMYBL followed by KPK and Sindh with a share of 11 percent and 8 percent respectively. While the share of both KPK and Sindh stands at 9 percent in the total applications received, however, KPK takes lead over Sindh with respect to the total loans disbursed under the scheme. The share of each of Islamabad and Gilgit Baltistan in total disbursements was 3 percent respectively, while the share of AJK and Balochistan in total disbursed loans was 2% respectively.



2.5 Gender Wise Regional Position under PMYBL

Gender wise distribution of total applications received so far under the Scheme reflects the share of



male and female applications as 86 percent and 14 percent respectively. Further region wise break up of male and female applications (Figure 4) shows that the share of female

applicants in total applicants was comparatively higher in Islamabad at 23 percent and lowest in Balochistan at 8 percent..

2.6 Position of Disbursements under PMYBL

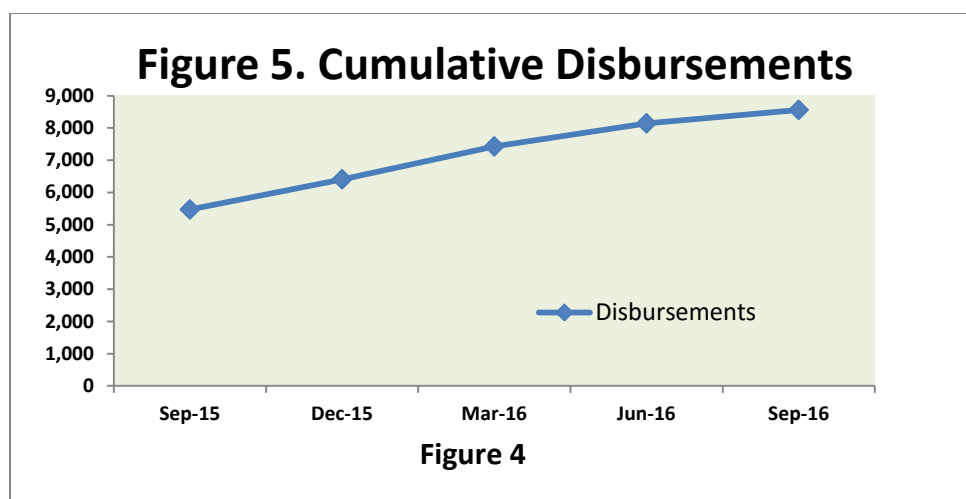
Table 3 provides the amount disbursed under the Scheme by all the Executing Agencies as on September 30, 2016. A total disbursement of Rs 416 million was made during the period July to September 2016 under PMYBL registering a growth of 5 percent over the total disbursements at the end of June, 2016. On year-on-year basis, a growth of 56 percent was observed with respect to loans disbursed under the scheme with total disbursed amount increasing from Rs 5,473 million at the end of September, 2015 to Rs 8,561 at the end of September, 2016. NBP disbursed an amount of Rs 273 million during the quarter followed by Summit Bank that significantly improved its performance under the scheme by disbursing loans amounting to Rs 73 million during the quarter.

With the addition of 454 fresh borrowers, total number of beneficiaries under the scheme increased to 8,926 as on September 30, 2016 from 8,472 on June 30, 2016.

Table 3: Disbursements under PMYBL							Amount in Million Rs			
Banks	September, 2016		June, 2016		September, 2015		% Change in Amounts		% Change in Number	
	Number	Amount	Number	Amount	Number	Amount	Q-o-Q	Y-o-Y	Q-o-Q	Y-o-Y
NBP	8,413	8,048	8,130	7,775	6,192	5,348	4	50	3	36
FWBL	151	171	138	156.67	102	118.4	9	44	9	48
Summit	142.00	114.25	34	40.79	-	-	180	-	318	-
Meezan	109	90.35	92	75.20	-	-	20	-	18	-
UBL	29.0	35.5	20	26.10	-	-	36	-	45	-
BAHL	17	31.68	13	24.18	2	3.60	31	780	31	750
AI Baraka	33	26.62	20	13.70	1	0.42	94	6284	65	3200
Sindh	14	23.88	10	15.88	-	-	50	-	40	-
HBL	5	7.05	3	4.75	2	2.75	48	156	67	150
ABL	6	5.6	6	5.6	-	-	0	-	0	-
ACBL	5	4.52	4	3.87	-	-	17	-	25	-
JSBL	2	3.40	2	3.40	-	-	0	-	0	-
BAFL	-	-	-	-	-	-	-	-	-	-
DIBPL	-	-	-	-	-	-	-	-	-	-
FBL	-	-	-	-	-	-	-	-	-	-
Hmbi	-	-	-	-	-	-	-	-	-	-
MCB	-	-	-	-	-	-	-	-	-	-
Soneri	-	-	-	-	-	-	-	-	-	-
Total	8,926	8,561	8,472	8,145	6,299	5,473.32	5	56	5	42

3. Quarterly Trend on Disbursements

Table No 4: Quarterly Trend on Disbursements (Amount in Million Rs.)		
Period	Disbursements	Q-o-Q Change
Sep-15	5,473	-
Dec-15	6,409	17%
Mar-16	7,429	16%
Jun-16	8,145	10%
Sep-16	8,561	5%



4. Quarterly Trend on Sanctioned Amount

Table No 5: Quarterly Trend on Sanctions (Amount in Million Rs.)		
Period	Sanctioned Amount	Q-o-Q Change
Sep-15	16,085	-
Dec-15	16,221	1%
Mar-16	16,539	2%
Jun-16	17,219	4%
Sep-16	18,315	6%

